

U.S. SECURITIES AND EXCHANGE COMMISSION

Litigation Release No. 15082 \ September 27, 1996

Securities and Exchange Commission v. Atlantic Capital Corporation, Wall Street Marketing, Inc., Pullman Publications, Inc., Stephen DeCesare, Mark Missler, Patrick Kephart, Howard Jenkins, Scott Mijares, Robert Thomas Beatty, Vincent St. Clair Beatty, Michael Cardascia, David Scott Rossman, Adrian Wilson, Timothy B. Daley, and David M. Connochie (M.D. Fla.) 96-1043-CIV-ORL-19

On September 27, 1996, the Commission filed a Complaint in U.S. District Court for the Middle District of Florida alleging that a group of stock promoters engaged in an 18-month fraudulent scheme in which they paid \$477,580 in bribes to seven stockbrokers to induce them to retail securities to the public. The Complaint alleges that the promoters netted approximately \$2.6 million from the scheme.

The Complaint alleges as follows: From January 1, 1992 through June 30, 1993, Atlantic Capital Corporation of Orlando, Florida published six brochures entitled "Investors Edge," each of which recommended investment in a different little-known, publicly traded company. Each company paid Atlantic for this service in stock options, which Atlantic later exercised to purchase stock. Atlantic distributed each brochure to at least 100,000 potential investors. Thousands of individuals responded to the brochures, via reply cards or by calling Atlantic's toll-free phone number. Atlantic supplied these "leads" to stockbrokers who had previously agreed to recommend certain of the stocks to investors, in exchange for bribes to be based upon the quantity of shares sold. Atlantic and its affiliates then sold their stock for net profits totaling \$2.6 million. The brochures failed to disclose Atlantic's ownership of options or stock in the companies being promoted, or the arrangements for payment of bribes.

Named as defendants (collectively, the "Promoter Defendants") were:

Atlantic Capital Corporation, Wall Street Marketing, Inc., and Pullman Publications, Inc., affiliated corporations located in Orlando, Florida (collectively, "Atlantic");

Stephen DeCesare, age 35, of Winter Park, Florida, an officer and director of Atlantic;

Mark Missler, age 35, of Alamonte, Florida, an officer and director of Atlantic;

Patrick Kephart, age 32, of Apopka, Florida, an employee of Atlantic;□

=====START OF PAGE 2=====

Howard Jenkins, age 44, of Plano, Texas, a consultant to

Atlantic, who resided in Ovida, Florida during the relevant period; and

Scott Mijares, age 36, of Winter Park, Florida, an employee of and/or consultant to Atlantic.

Also named as defendants were the following current or former registered representatives:

Robert Thomas Beatty, age 54, of Hollywood, Florida, who was employed by First New England Securities Corp. in Deerfield Beach, Florida during the relevant period;

Vincent St. Clair Beatty, age 33, of Parkland, Florida, who was employed by First New England during the relevant period;

Michael Cardascia, age 30, of Centerport, New York, who was employed by Corporate Securities Group of Orlando, Florida during the relevant period;

David Scott Rossman, age 37, of Castlerock, Colorado, who was employed by Kemper Securities in Denver, Colorado during the relevant period;

Adrian Wilson, age 36, of Salt Lake City, Utah, who was employed by Covey & Co. in Salt Lake City during the relevant period;

Timothy B. Daley, age 35, of Odessa, Florida, who was employed by Paragon Capital Corporation in Tampa, Florida during the relevant period; and
David M. Connochie, age 42, of Tampa, Florida and Denver, Colorado, who was employed by Paragon Capital and by Mayfair Securities, Inc. in Florida and Schneider Securities, Inc. in Denver during the relevant period.

The Complaint charges all defendants with violations of Section 17(a) of the Securities Act of 1933 ("Securities Act") and Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder. The Complaint also charges the Promoter Defendants with violations of Section 17(b) of the Securities Act. The Complaint seeks permanent injunctive relief and an order directing that the defendants disgorge their illegal gains, plus prejudgment interest thereon, and pay civil money penalties pursuant to the Securities Enforcement Remedies and Penny Stock Reform Act of 1990.¶